



## Montana's Master Settlement Agreement Putting Tobacco Money Toward Public Health

In November 1998, Montana joined 45 other states in signing the Master Settlement Agreement (MSA) with the nation's largest tobacco companies. The settlement resolved a lawsuit brought by the states seeking to enforce their laws and to recoup hundreds of millions of dollars the states spent on Medicaid-funded care for people suffering from tobacco-related illnesses. It contained two critical components: restrictions on tobacco marketing and annual payments to states.

The MSA's goals were to reduce youth smoking, promote public health, and provide states with financial relief. Montana is one of the only states that, by resolution of its voters, embraces these goals. Montana uses the majority of its MSA income – \$35.5 million in 2009 – for its intended purposes: improved health and tobacco disease prevention.

Montana MSA Allocations		
MSA Distribution	Percent	Voter Details
Health Programs Trust Fund	40 percent	November 2000, Constitutional Amendment 35, passed by 73 percent of voters, created a permanent, income-producing trust fund. Ninety percent of trust fund earned interest must be used for health care benefits, services, education programs, and tobacco disease prevention.
Montana Tobacco Use Prevention Program (MTUPP): prevents youth initiation and exposure to secondhand smoke, provides cessation through the Montana Tobacco Quit Line, and reduces health disparities from tobacco addiction to reduce death and disease	32 percent	November 2002, I-146, passed by 65 percent of voters, established a tobacco disease prevention special revenue account to fund a tobacco use prevention program and the Tobacco Prevention Advisory Board.
Children's Health Insurance Program (CHIP) & Comprehensive Care Program	17 percent	November 2002, I-146, passed by 65 percent of voters, established a Health Insurance benefits account for the healthy Montana kids insurance plan, Comprehensive Health Association programs, and Medicaid matching funds.
Montana General Fund	11 percent	

## MSA Restrictions

- Prohibits direct or indirect targeting of youth in advertising, marketing, and promotion of tobacco products
- Bans cartoons in tobacco marketing, advertising, or promotion
- Prohibits brand name sponsorship of concerts; football, basketball, baseball, soccer, and hockey events; or other events with a significant percentage of youth participants or youth audience
- Limits brand name promotion to one event per 12-month period
- Prohibits outdoor advertising of tobacco products, except signs limited to 14 square feet where tobacco products are sold
- Prohibits transit ads on or in public or private vehicles
- Outlaws payments for product placement in movies and other entertainment media
- Prohibits distribution of tobacco brand-name merchandise, except in limited situations
- Prohibits distribution of free samples, except in adult-only facilities, and gifts to youth in exchange for proofs of purchase
- Bans agreements among tobacco companies to suppress health-related research and product development and misrepresentation of fact regarding the health consequences of using tobacco products

## SMOKELESS TOBACCO MASTER SETTLEMENT AGREEMENT

MSA-participating states also signed a separate agreement with the nation's largest manufacturer of spit tobacco, U.S. Smokeless Tobacco. The marketing and promotion restrictions of the Smokeless Tobacco MSA are nearly identical to those in the primary MSA. A major difference between the two agreements is that no payments to states are required under the Smokeless Tobacco MSA.

